



**Redefining the workplace. Together.**



**EQUITY OFFICE PROPERTIES TRUST**  
Stand-by Generation and  
Combined Heat & Power  
30 North LaSalle, Chicago

June, 2002

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VP – Energy Operations



# Equity Office National Portfolio

**Buildings:** 766  
**Locations:** 34 markets  
**Submarkets:** 147  
**Portfolio:** 127.4 MM sf  
**Employees:** 2,625  
**Businesses:** 9,400  
**Customers:** 512,000  
**Total Cap:** \$26.8 billion



10 & 30 S. Wacker  
Chicago



The Towers  
Los Angeles



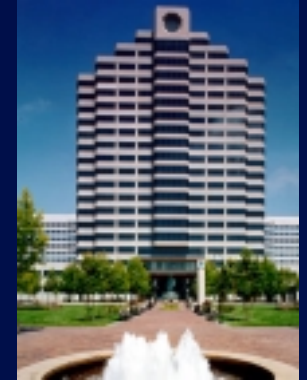
Park Avenue Tower  
New York



Reston Town Center  
Washington, D.C.



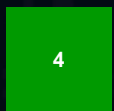
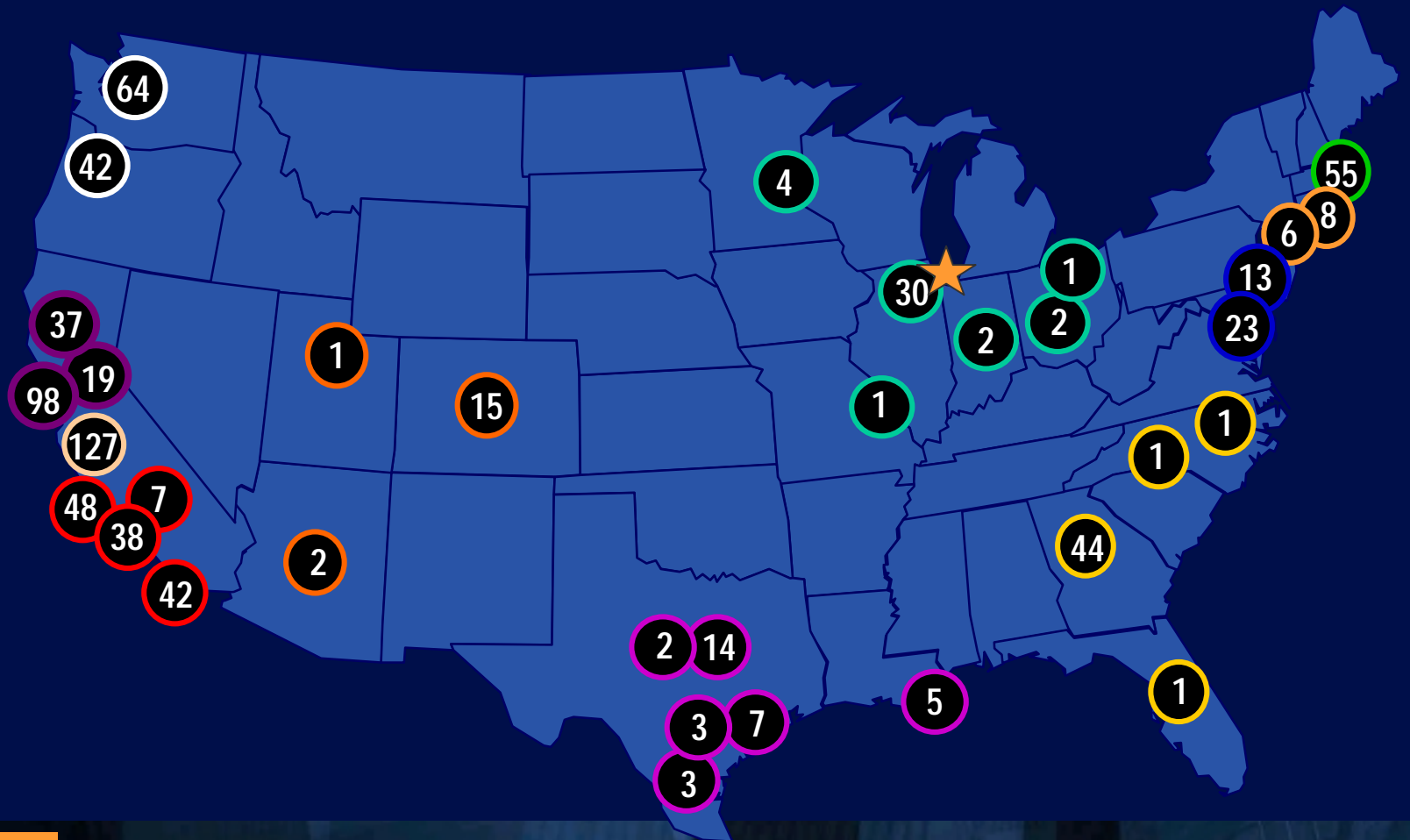
Rowes Wharf  
Boston



Metro Center Tower  
San Francisco

# EOP National Platform

766 BUILDINGS 34 MSAs



Data as of 5-29-02

OSEP L.L.C.

## On-Site Energy Providers

As part of Equity Office's focus on efficiencies and working smarter, we have formed a business unit to concentrate on energy.

# Four Focus Areas of OSEP

- Energy Procurement
- Energy Auditing and Bill Processing
- Enterprise Energy Report
- Energy Retrofit Services
  - Demand-Side Management
  - Distributed Generation





# Distributed Generation

## Where to Start?

# Distributed Generation Criteria

Economic

Load

Standby Potential

Thermal Need

Gas

Electrical Feed

Space

Utility

Incentives

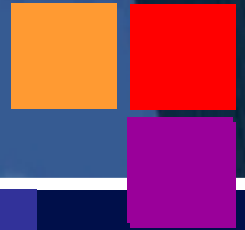
Environmental

Exhaust

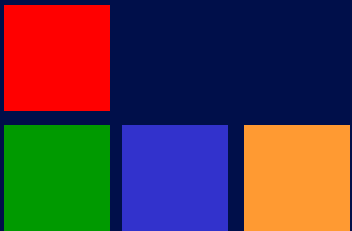
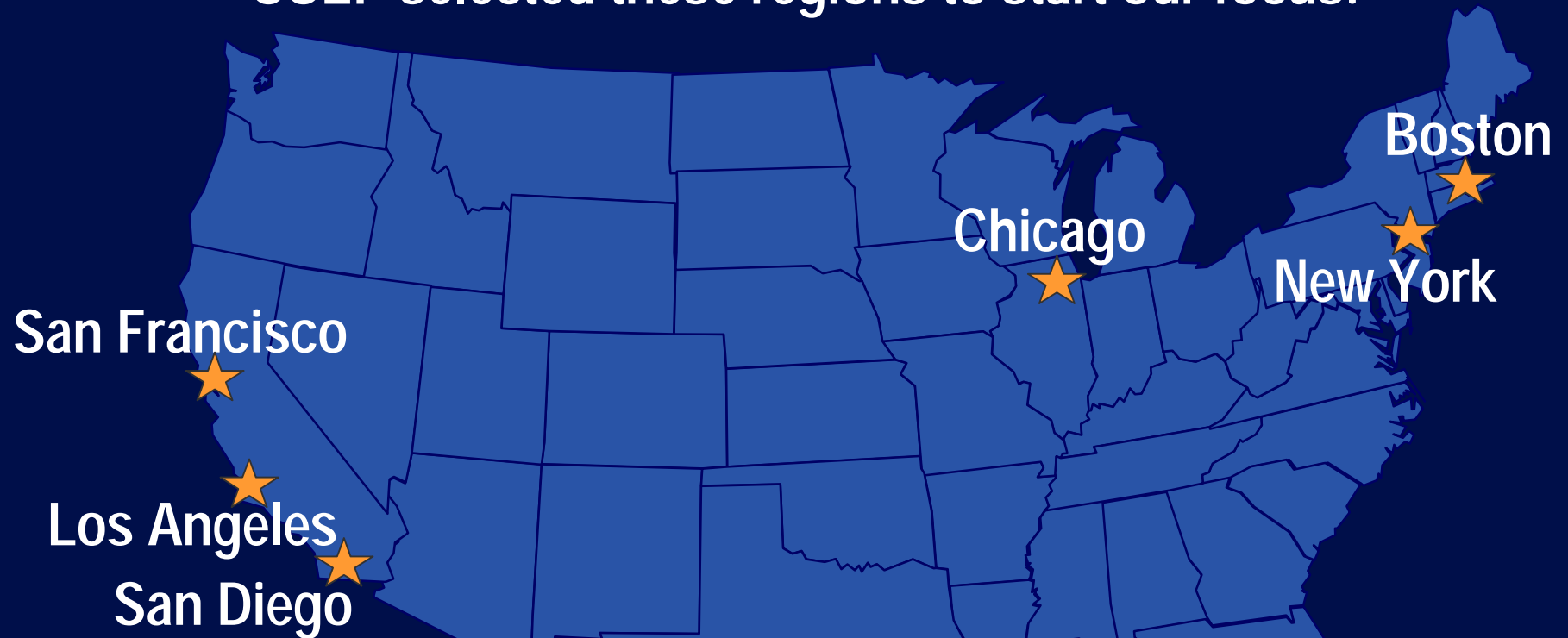
Cooling



# Regions Selected



Based on the economic evaluation of our portfolio,  
OSEP selected these regions to start our focus:



# Why 30 North LaSalle?



Economically Viable Region

Electric Load

Most Important:  
Customer With a Need

# The Challenge

CT&T Needed 1,000 kw of Standby “Yesterday”

Limited Space

Fuel Supply Issues

Lack of Support Systems

Operational and Maintenance Issues

Capital Constraints





Equity Office

# The Deal

## Basic Structure

- EOP would coordinate the design, construction and installation of a 1,100 kw CoGen system
  - 1,100 kw Engine GenSet
  - 2,255 lbs / hour 15 psig heat recovery steam generator
  - All ancillary equipment
- In normal operation, the system would provide the building electric power and steam
- In event of power failure, the Engine GenSet would be 100% dedicated to backup power requirements of CT&T

# The Deal

## *General Financial Structure*

- CT&T: Capital for standby generation **\$1,300,000**
- EOP: Capital for CoGen **\$360,00**  
*(\$410,000–\$50,000 Peoples Energy Incentive)*
- Estimated annual net cash flows:  
*(revenues – expenses)* **\$260,000**
- Payback on incremental capital spend **1.38 Years**  
for CoGen
- CT&T / Equity Office share net cash flow (win / win)



# The Project



Engine GenSet	1,100 kw Cummins Q SV-81 Lean Burn Gas Engine
Heat Recovery	2,255 lbs/hour at 15 psig Steam, Vapor Phase ECXS-5210 Base Fire Tube Exhaust Waste Heat Recovery/Silencer
Cooling	Existing Building Cooling Towers
Exhaust	Existing Build Stack
Electrical	8 GE Zenith Automatic Transfer Switches (ComEd Network Distribution System)
Gas Compression	Redundant 7.5 hp Spencer Gas Boosters with Battery Backup
Controls	Upgraded Building Andover Energy Management System for Plant Operation Added an Invensys UNC 600-21 Network Controller for Billing and Monitoring
Lubrication	Hoover Materials Handling System for Storing New and Waste Oil

# The Project



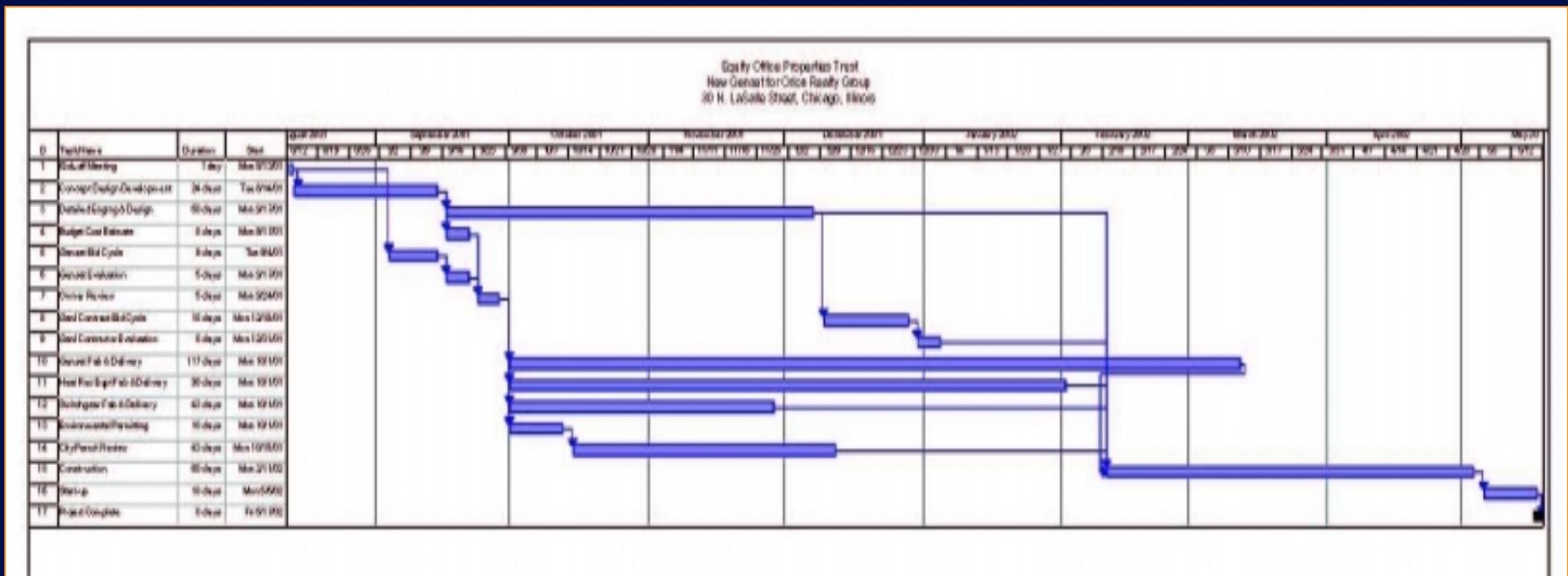
## Base Product Upgrades to Guarantee System Reliability

- Redundant electrical feeders and conduit for fiber-optic cable (38 floors)
- Upgrade electrical switch on redundant riser (1,600 to 2,000 amp)
- Remote generator hook up in loading dock
- Redundant gas booster and UPS system
- Automated condenser water valves

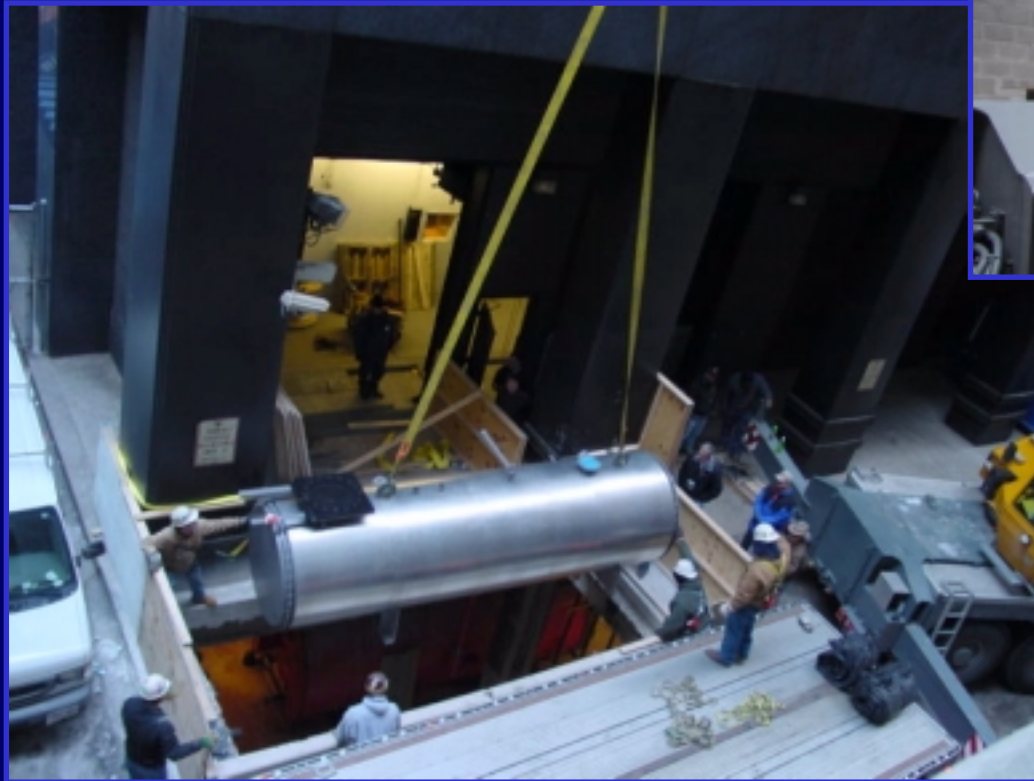


# Project Schedule

- Original project was scheduled to be completed in 7-1/2 months (03-29-02 start)
- Due to project extras required for added redundancy, the project took 9 months (05-15-02)











# Key Organizations Involved



GKC / EME

Conceptual Design, Engineering,  
and Project Support (Mechanical,  
Electrical and Structural)

AMS

Project Construction

Cummins Onan

Major Equipment – Engine GenSet,  
Heat Recovery and Gas Compression

Peoples Energy

Fuel Supply and Incentive

EOP Engineering  
and Operations

Everything Else

Chicago Title & Trust

Tenant

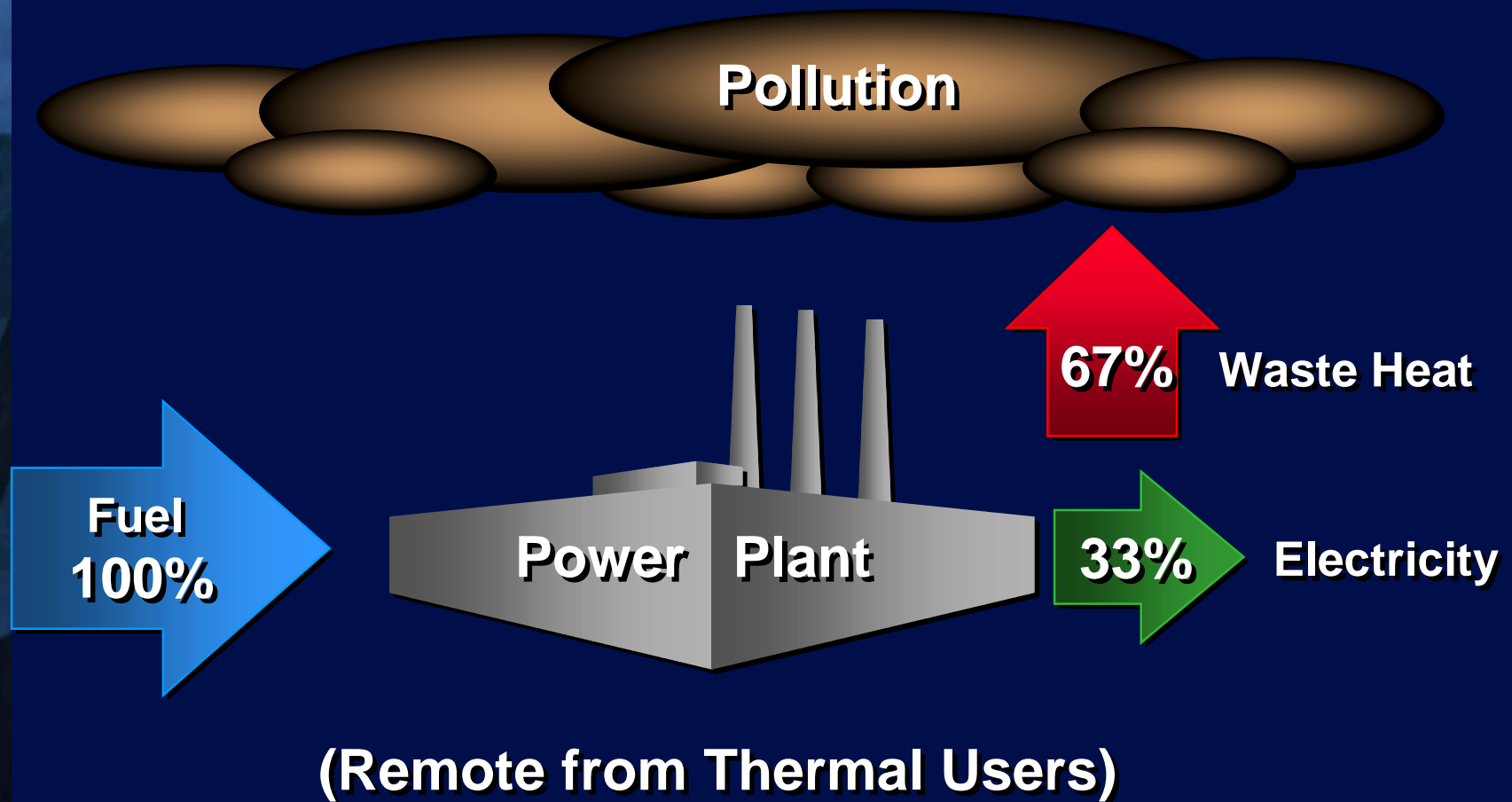




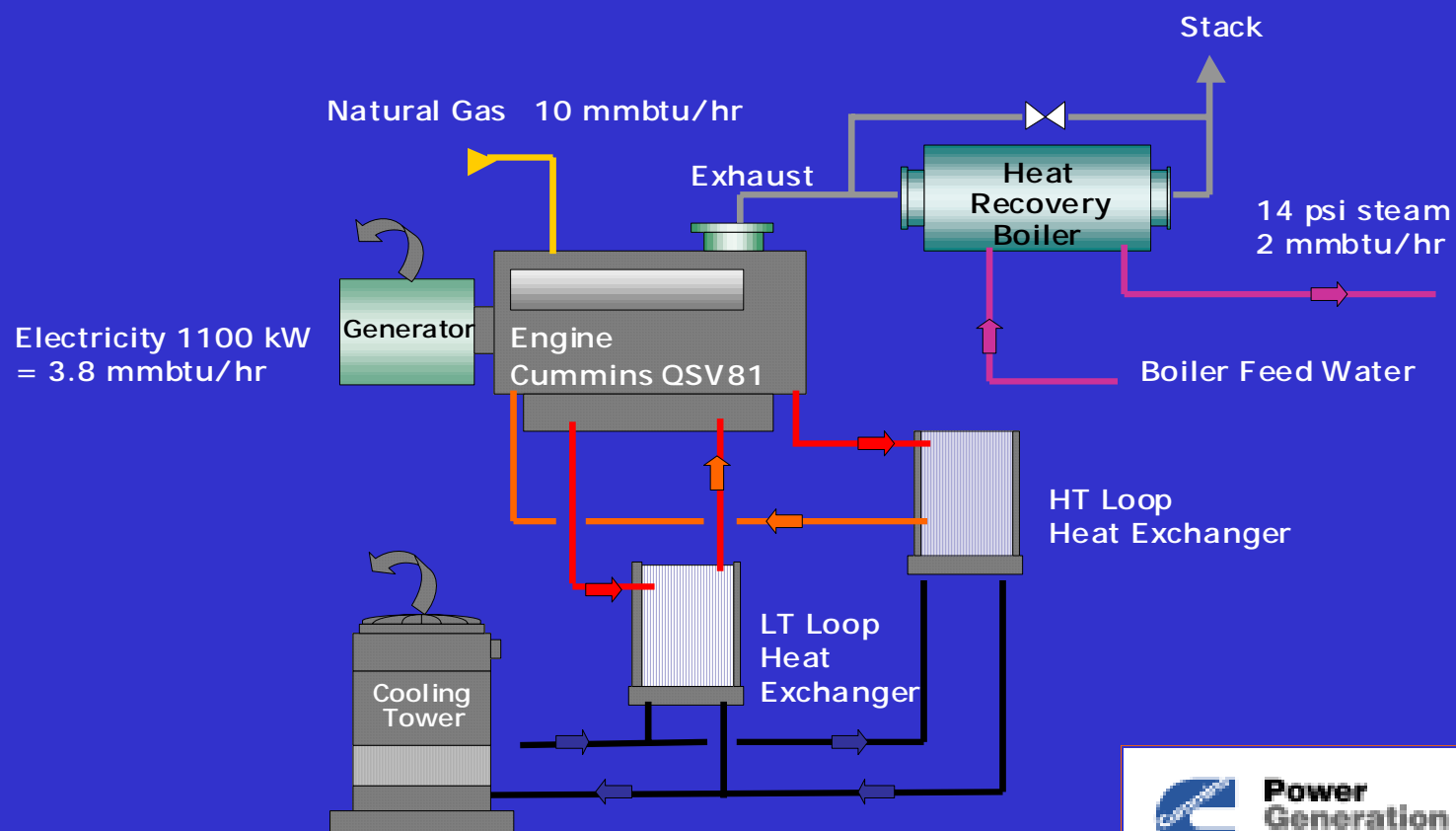
Why is CHP  
Here to Stay?

Efficiency

# Conventional Thermal Generation



## 30 N. LaSalle Energy Diagram 58 % Efficiency



# Efficiency

Old System



**30% Efficient**  
when Power Reaches User

New System




**60% Efficient**  
at Point of Use





**Redefining the workplace. Together.**



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